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There has been a lot of talk, loose talk sometimes, about the Asian Miracle. Some even picture the rise in economic terms of Asia as a threat, a threat to America, to Europe and to the world. It is not healthy thinking to see in this phenomenon the spectre of the clash of civilisation, of conflict and war. Surely no one has a monopoly of prosperity. Asia has as much right to prosper as anyone else. It is much healthier to participate and to share in this prosperity than to strangle it at birth.

2. Actually what is happening in Asia is far from being a miracle. It is just Asians, or more correctly East Asians, coming to their senses. The rise of East Asia was brought about by sheer hard work and pragmatism which acknowledged the benefit of stable governments, prudence in economic management, recognition of the market as a force for growth, education and openness to ideas. These were some of the keys to East Asia's economic transformation, the same keys which in the past influenced the European economic performance. And Malaysia decided to look at East Asia, having noticed the 'miracle' earlier than the great thinkers of the West did, and decided to take the same route, do the same thing, be copycats in fact.

3. In just over three decades Malaysia was transformed, from a two-commodity economy to a world-class manufacturing nation. During the last 30 years we recorded an average growth rate of seven percent with inflation of three percent. The last eight years have been even more remarkable - achieving average growth of 8.5 percent with minimal inflation capped below four percent. For 1995, Malaysia achieved 9.5 percent GDP growth up from 9.2 percent in 1994. This year we expect 8.6 percent GDP growth. The landscape has changed. For better or for worse Malaysian city skylines are now pierced by tall buildings, while modern landscaped factories replace the huge rubber and palm oil estates and tin-mining sites. For 1991-1996 Malaysia approved foreign direct investment worth US\$26.3 billion (RM66.78 billion) for the manufacturing sector up to February 1996. Japan is the biggest investor with US\$4.9 billion (RM12.3 billion) in approved investments projects. Taiwan is second with US\$4.2 billion approved investments and the USA in third place with US\$4.1 billion (RM10.3 billion) in approved investments.

4. What is it that has influenced foreign companies to invest heavily in Malaysia? First and foremost we have political stability, a commodity which is much valued by investors, for no investment can be expected to yield instant profits. Time is needed. And Malaysia, as good as guarantees the time, having had almost 39 years of political stability with consistent policies.

5. Second, we have a long range vision, a 30 year programme to make Malaysia a fully developed nation, thus providing a clear direction and a

common mission. Third, we have always been an open market economy. But more than that, we are continuously undertaking economic reforms to liberalise and deregulate our economy. While others were still talking about nationalisation, we were already privatising. Today our privatisation programmes is one of the most successful in the world. Fourth, Government is unabashedly business friendly. The administration openly supports and understands the needs of the private sector. A Malaysia Incorporated concept was officially adopted in order that the administrative officials work closely with the private sector and vice-versa. Fifth, we have an adaptable and easily trainable work force. The initial drive to create employment has now resulted in full employment. Now we want to upgrade our work force in order for them to earn more by doing more value-added work. For this we are investing heavily in retraining our workers. Sixth, we have a Malaysian paradigm of development which emphasises economic growth with social justice. Social justice in multi-ethnic Malaysia is slightly more complicated than the same thing for most other countries. The Malaysian people are not just multi-ethnic. This heterogeneous society is made more divided because ethnic differences are accentuated by differences in language, culture, religion and even the colour of the skin. They cannot even sit at the same table as the Malays abhor pork which the Chinese love, while the Indians object to beef which the Malays enjoy. I will not elaborate on how we brought about harmony in this explosive racial mixture, but the fact is that Malaysia is politically and socially stable, and respecting each other's sensitivities, we brown and blackish and yellow people do sit at the same table to enjoy our meals together. The sensitivities of the races have extended to the economic field where we have successfully implemented an affirmative action programme that has reduced the imbalances in the economic status of the different communities.

6. Malaysia's economic transformation can be divided into three phases or stages of growth. The first stage, from 1957 to 1969, was basically primary commodities-led. For a long time Malaysia was the world's largest producer and exporter of rubber, palm oil, tin and tropical hardwoods. The second stage of growth was from 1970 to roughly around 1990, when industrialisation began and manufactured goods began to outstrip commodities as Malaysia's exports. The liberalisation and deregulation measures adopted in 1985 brought in substantial inflow of foreign direct investments that has resulted in manufactured products accounting for more than half of Malaysia's total exports.

7. The third stage of growth is from 1990 onwards. This is the era of our vision 2020 when we adopted bold, long term measures to transform Malaysia into a fully developed nation by the year 2020. This stage of growth will continue to be manufacturing-led. However, greater emphasis will be accorded to the services sector, value-added manufacturing and high technology industries targeted at the world market.

8. In this regard, we envision a Malaysia that is a regional hub for high-technology, information technology and software companies. Malaysia is already the world's largest exporter of microchips. We are according priority to developing Malaysia's technological infrastructure. The multi-media supercorridor (MSC) which we are building will hopefully replicate Silicon Valley. We have the advantage of planning and working on a greenfield site, taking the best ideas from Japan and the U.S., to incorporate in this massive project. The MSC will encompass the Kuala Lumpur City Centre, the new Government Administrative City, Putrajaya and

the new Kuala Lumpur International Airport at Sepang. In between large tracts of land will be available for IT industries; hardware and software as well as operations centres for worldwide businesses.

9. We have come here to the U.S. to learn from you and to hear from you how to make a greater success of our multi-media supercorridor. The Malaysian Government will fully support corporate efforts to integrate with and make use of the MSC. We want to incorporate the best possible ideas in order to have the best infrastructure for high technology companies to succeed and thrive. In this regard, the Government of Malaysia has established a high-powered National Information Technology Council to give this project the necessary status and to ensure its success. This multi-media supercorridor will be a state-of-the-art development that will be benchmarked with the world's best. It is intended to be used as a platform for multi-media people and industries to develop new ideas, products and business strategies. To make the MSC a success, the Government will offer tax and other incentives and implement other policy measures to make it worthwhile for entrepreneurs and high technology companies to locate in the multi-media supercorridor. Our private sector will offer venture capital financing. We shall put in place the necessary physical and human technological infrastructure that will be second to none in the world.

10. The current Seventh Malaysia Plan (1996-2000) will enhance Malaysia's international competitiveness and thrust the nation confidently into the 21st Century. The creation of vital industrial linkages within industrial clusters will be another cornerstone of our new strategic thrusts.

11. We have also embarked on our Second Industrial Master Plan that will promote specific industries. Information technology and multi-media have been designated as high priority strategic sectors. Cine-production, electronic publishing, intelligent information kiosks, custom-chip manufacturing and multi-media communication software will be among products and services that will be promoted. We urge you to consider Malaysia as your manufacturing base. We invite you to come to Malaysia to not only benefit from the potential of the dynamic and robust Malaysian market but to use Malaysia as a springboard to the ASEAN market with a combined market size of some 420 million increasingly affluent people. Malaysia is in a strategic position to enter the vast ASEAN and even the East Asian Market. We are strategically located to be the fulcrum of Asia with a progressive, business-friendly government.

12. We urge you to look at the promise of ASEAN as by the year 2003, the ASEAN Free Trade Area (AFTA) would have been in place in which ASEAN manufactured products will have tariffs of not more than five percent, with a large number of products having zero tariffs. This will make Malaysia an attractive base to export to the rest of ASEAN with its large market and growing middle class.

13. Malaysia values its friendship with all nations. Our numerous partnerships with the United States of America have grown from strength to strength despite occasional stresses and strains along the way. Let me now elaborate on our longstanding

21. With regard to East Asia, David Hitchcock, the former director of East Asian and Pacific Affairs of the United States Information Agency, had

actually conducted the first ever quantitative survey comparing East Asian and American values.

22. In 1994, he asked Americans and East Asians (Japanese, Thais, Chinese, Koreans, Malaysians, Singaporeans, Indonesians and Filipinos) to choose six 'societal values and five 'personal values' which they regarded as core and critical. The results were presented in a publication called Asian Values and the United States: How Much Conflict?

23. The survey found that the six societal values most valued by the East Asians were: first, having an orderly society; second, societal harmony; third, ensuring the accountability of public officials; fourth being open to new ideas; fifth, freedom of expression; and sixth, respect for authority.

24. On the other hand, the six most important for the Americans polled were: first, freedom of expression; second, third, fourth and fifth, personal freedom, the rights of the individual, open debate, thinking for oneself (all of which did not figure among the most critical concerns of the East Asians); and sixth, the accountability of public officials. Interestingly slightly more East Asians emphasised the importance of 'new ideas' and public accountability than did Americans.

25. Despite Hitchcock's interest in discovering commonalities between East Asians and Americans, he found fundamental differences not just with societal values but also with regard to personal values.

26. The five most important personal values stressed by the Americans polled were: first, self reliance; second, personal achievement; third, hard work; fourth, achieving success in life; and fifth, helping others.

27. The five most important personal values stressed by the East Asians, on the other hand, were: first, hard work; second, respect for learning and education; third, honesty; fourth, self reliance and fifth, self discipline.

28. Whereas the sixth most important core value -- 'fulfilling obligations to others' -- was stressed by 39 percent of the East Asians, only 19 percent of the Americans polled emphasised this.

29. On the other hand whereas 59 percent of the Americans stressed 'achieving success in life', half as many East Asians did so. Whereas 59 percent of the Americans stressed 'personal achievement', only 33 percent of the East Asians did so.

30. On the other hand, whereas 69 percent of the East Asians emphasised respect for learning, only 15 percent of the Americans did so. Whereas 48 percent of the East Asians stressed self discipline, only 22 percent of the Americans did so.

31. I do not know how accurately this American study reflects reality. But Hitchcock provides figures that support the intuitive assumptions of most East Asians and those who really know East Asia well.

32. Second, I do know that so many Asian values which so many Asians

declaim with such reverence are often more honoured in their breach than in their practice.

33. Third, I do know that many of these 'Asian values' were once also 'Western values'. Many of them are what would be termed 'Victorian values'. Many of today's Asian values were Western values which much of the West have successfully thrown off or 'lost'.

34. Fourth, some are obviously a function of our stage of development and will be challenged and discarded -- to our gain or to our loss -- as we move forward.

35. I hope that my exposition on Asian values so far has not by any stretch of the imagination justified dictatorship, authoritarianism, anti-democratic practices, the suppression of human rights, the denial of democracy. I hope that my arguments also do not in any way justify torture, the exploitation of child labour, the suppression of women and the wanton destruction of the environment.

36. Having offended the universalists, the most militant of whom are congregated in, the West, let me now be permitted to offend the authoritarians, so many of whom are said to congregate in 'the East'.

37. The first thing that might usefully be said is that atrocity anywhere cannot be tolerated. It should be punished. No one should be allowed to hide behind the cloak of cultural relativism. Atrocities as you must know are not found only in Asia. Some of the worst examples are found in the west.

38. Secondly, many Asian values should obviously be destroyed. God only knows how hard we have struggled against so many of them. In many parts of Asia, there is excessive materialism and in many parts, there is excessive anti-materialism; there is of course extremist spiritualism, usually manifested in extremely unspiritual ways. And there is the opposite.

39. In some societies, there is the ethics of fatalism. In others, the dominance of contentment, smugness, even arrogance. In many Asian countries, there is excessive deference to authority resulting in social and psychological authoritarianism.

40. The record of Asia with regard to fundamental economic, social and cultural rights has too often been as atrocious as the record on fundamental civil and political rights.

41. Some of these are inequality, the repression of women and the weak; the economic, political, intellectual and social disempowerment of millions; a deep psychological sense of inferiority; the lack of self confidence and sense of self worth.

42. Uncaring societies abound in Asia that have not an iota of love and regard for God's living creatures, for the infirm, the disadvantaged, the handicapped, the physical environment which man holds only in trust. Much of this is a function of ignorance and poverty, of being unable to afford, though some may be due to just greed and an uncaring attitude.

43. Then there are in Asia undiluted adherence to tradition, superstition

and magic. Deep and often widespread corruption and tolerance of corruption equally deep and widespread. The list is too long even to enumerate.

44. A third point is equally obvious. If 'Asian' does not necessarily mean 'Good', 'Western' does not necessarily mean 'bad'. Asia's process of learning from the best in the West is far from complete. There are many Western values, found in the best Western societies, which we should adopt or internalise more deeply.

45. I remember in my country's own history, that we had to do a lot of persuading before the British, the erstwhile advocates of democracy, granted us the right to have elections and to vote. It was we, Malaysians, who were denied democracy and many of our human rights. In the end they relented and retreated without scorching the earth. But democracy came very much later in Hong Kong even as they advocated democracy in all their former colonies. The excuse - Hong Kong was doing well without democracy. Now that Hong Kong is to revert to China authoritarian colonial rule has become abominable.

46. When Malaya became independent in 1957, our per capita income was lower than that of Haiti. Haiti did not take the path of democracy. We did. Haiti today is the poorest country in all of the Americas. We now have a standard of living higher than any major economy in the Americas, save only for the United States and Canada. We could not have achieved what we have achieved without democracy. We could not have done it without the free market system. But others who think that democracy and the free market means prosperity should think again. Democracy and the free market are more likely to result in prosperity but they do not guarantee prosperity. Other things are needed.

47. Still my fourth point is that we in Asia must fight for and be the champion of democracy, the market system and respect for human rights for all. We must because our value system says that this is the moral course. And it can be the most productive course for our future.

48. Having said this, let me make a fifth point with equal passion. Not all forms of democracy are productive. There is good and productive democracy as well as bad and destructive democracy. Democratic freedom must go hand in hand with democratic responsibility. There are good and productive market systems and bad market systems as Orange County knows well. There are good and productive means for achieving advancement in the dignity and circumstance of our people as well as well-meaning but romantic, silly and unproductive nonsense.

49. Each society must be allowed to find its own best forms and processes. Let Americans not forget that between July 4, 1776 and the civil Rights Act of 1964 there were almost two centuries of political development and one civil war, I wonder how many of the Western politicians who champion the interests of other peoples are not in fact bent only on championing their own.

50. Ideas and actions are great not because they are romantic or full of bravado but because they are productive of human welfare, productive not only immediately but in the long run. There is a need to be fair and not to demonise those in less than ideal circumstances. Unfortunately, many who pass judgement do not have the time to even master the basics, still

less the complications.

51. I have said enough on Asian values and the Asian values debate to offend both sides of the great divide. Let me now touch on mutual respect enrichment.

52. Before I insist that 'the West' must have more respect for other values and other cultures, let me concede that we outside 'the West'. If it was ridiculous for so many of our elites to once believe that everything that was good was in the West and everything that was in the West was good, it is equally ridiculous to now believe that everything that is bad is in the west and everything that is in the West is bad.

53. Mutual regard is simply that: mutual regard. There is much in the West that commands respect. At the same time, it is right and it is time that Asia too is accorded the regard and the respect that is its due.

54. Mutual respect demands an acceptance that those who have a different view are not necessarily misguided or evil. Mutual respect demands a minimum level of humility on all sides. The countries of the West have a right to their preferences. But they have no right to ram their preferences down everyone's throat.

55. They have the right to resort fully to the power of persuasion. They have no right to resort to the persuasion of power.

56. In a speech at a 'Europe/East Asia Summit' organised by the world Economic Forum in 1994, I half jokingly said that in their more exuberant moments, there are many Asian leaders who think they can solve the problem of Serbian atrocities in Bosnia, the problems of the Basques, of Northern Ireland, and the income inequalities between northern and southern Italy.

57. In many Western societies there are massive problems of drug addiction. There are teachers afraid of their pupils. There is chronic vandalism.

58. There are some societies where there are more illegitimate babies than legitimate ones. There are countries where large numbers in their 30s or even 40s have never worked for a single day of their lives. There are places where an unemployed person is better off not working than if lie found a job.

59. There are some democracies where political leaders are afraid to do what they know is right for one reason or another. And the people and their leaders live in fear, fear of the free media which they so loudly proclaim as inviolable.

60. Indeed they are quite literally oppressed by their own media, the way people in feudal societies are oppressed by their rulers, knowing their rulers, knowing thier unfortunate situation but not daring to raise their voices against an established institution, to curb its excesses.

61. Many Asian leaders, in their moments of levity, I hasten to add, believe that they have the answers to such problems. If some European countries want their help and advice, I said, "I am sure they would be willing to give such help and advice." But so far, it has not entered the

mind of any Asian leader to threaten sanctions if any Western country fails to put its house in order.

62. No Asian parliament I am aware of has passed a single resolution calling on its Government to take steps should a European country not reform itself.

63. If any Asian leader were to so threaten or if any Asian parliament were to so act, the West would regard them as mad. The West would regard the whole idea as preposterous.

64. If it is preposterous and mad for Asian leaders to threaten sanctions when Europeans fail to measure up to their standards and norms, could it not be a little preposterous for Europeans to threaten sanctions when decent Asian societies prefer their own standards and norms and not Europe's?

65. To this and many other questions which I asked, I did not get a reply. All I received was public admonition. Although what I said about Europe might be true, came the rebuttal, it was 'unacceptable'. I repeat 'unacceptable' It was not 'unwise' not 'injudicious' but 'unacceptable' that I should have publicly mentioned some of the ills found in Europe.

66. A European press correspondent asked me afterwards whether I thought that the European participants had come to the forum (in Singapore) to be lectured to by me. The free Press which lectures all the time to the world obviously did not think I have a right to free speech.

67. The famous political scientist, Samuel Huntington ended his equally famous essay, The Clash of Civilisations, with a half-hearted call for the civilisations to co-exist. With all the passion that I can command, I call not for co-existence but for mutual cultural enrichment.

68. We in Asia have learnt a great deal from the West. We will be unnecessarily constraining our full potential if this process were now to be stopped. At the same time we in Asia have to learn a great deal also from 'the East', from the rest of Asia, from Africa and Latin America -- and from the best that our own histories and cultures have to offer.

69. I believe that North America too may find some value in this message of enriching each other, of mutual enrichment, of rejuvenation and of self discovery.

70. Asian values are Asian values; American values are American values. The twain can meet. And from the meeting there might be some understanding and appreciation of the wisdom of each, and hopefully a wedding of the good and rejection of what is bad or evil.

71. Let us all admit that no one has a monopoly of wisdom. Let us deliberately prepare for and enthusiastically partake of a feast of civilisations, where we each take the best that all of us have to offer -- and together build for the first time a single global civilisation such as the world has never seen.

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